

523C.1 Definitions.

As used in [this chapter](#), unless the context otherwise requires:

1. “*Commissioner*” means the commissioner of insurance.
2. “*Licensed service company*” means a service company which is licensed by the commissioner pursuant to [this chapter](#).
3. “*Maintenance agreement*” means a contract of any duration that provides for scheduled maintenance to property.
4. “*Motor vehicle*” means any self-propelled vehicle subject to registration under [chapter 321](#).
5. “*Motor vehicle manufacturer*” means any of the following:
 - a. A person who manufactures or produces motor vehicles and sells the motor vehicles under the person’s trade name or label.
 - b. A person who is a wholly owned subsidiary of any person who manufactures or produces motor vehicles.
 - c. A person who holds a one hundred percent ownership interest in another person who manufactures or produces motor vehicles.
 - d. A person who does not manufacture or produce motor vehicles, but for which motor vehicles are sold under the person’s trade name or label.
 - e. A person who manufactures or produces motor vehicles, but the motor vehicles are sold under the trade name or label of another person.
 - f. A person who does not manufacture or produce motor vehicles, but who licenses the use of the person’s trade name or label to another person pursuant to a written contract, who then sells motor vehicles under the trade name or label of the licensor.
6. “*Motor vehicle service contract*” means a contract or agreement sold for separate consideration for a specific duration that undertakes to perform the repair, replacement, or maintenance of a motor vehicle, or indemnification for such repair, replacement, or maintenance, for the operation or structural failure of a motor vehicle due to a defect in materials, workmanship, or normal wear and tear, with or without additional provisions for the incidental payment of indemnity under limited circumstances, including but not limited to motor vehicle towing, rental, emergency road service, and road hazard protection. “*Motor vehicle service contract*” also includes a contract or agreement sold for separate consideration for a specific duration that provides for any of the following services or products:
 - a. The repair or replacement of motor vehicle tires or wheels that are damaged as a result of contact with road hazards, including but not limited to potholes, rocks, wood debris, metal parts, glass, plastic, curbs, or composite scraps.
 - b. The removal of dents or creases on a motor vehicle under a process that does not use paint or affect the existing paint finish, and without sanding, bonding, or replacing motor vehicle body panels.
 - c. The repair or replacement of motor vehicle windshields that are damaged as a result of contact with road hazards.
 - d. The replacement of motor vehicle keys or key fobs in the event that such device becomes inoperable, lost, or stolen.
 - e. Any other service or product approved by the commissioner.
7. “*Premium*” means the consideration paid to an insurer for a reimbursement insurance policy.
8. “*Record*” means information stored or preserved in any medium, including in an electronic or paper format. A “*record*” includes but is not limited to documents, books, publications, accounts, correspondence, memoranda, agreements, computer files, film, microfilm, photographs, and audio or visual tapes.
9. “*Reimbursement insurance policy*” means a contractual liability insurance policy issued to a service company that either provides reimbursement to a service company under the terms of insured service contracts issued or sold by the service company or, in the event of nonperformance by the service company, pays, on behalf of the service company, all

covered contractual obligations incurred by the service company under the terms of the insured service contracts issued or sold by the service company.

10. “*Residential service contract*” means a contract or agreement between a residential customer and a service company which undertakes, for a predetermined fee and for any period of time, to service, maintain, repair, replace, or indemnify expenses for all or any part of the operational or structural components, appliances, or electrical, mechanical, plumbing, heating, cooling, or air-conditioning systems of residential property in the state which fails due to normal wear or tear or inherent defect. “*Residential service contract*” also includes a contract which provides for the service, repair, replacement, or maintenance of property for damage resulting from power surges, roof leakage, and accidental damage.

11. “*Service company*” means a person who is contractually obligated to perform services pursuant to a motor vehicle service contract or residential service contract.

12. “*Service contract*” means a motor vehicle service contract or residential service contract.

13. “*Warranty*” means a statement made solely by the manufacturer, importer, or seller of property or services without consideration, that is not negotiated or separated from the sale of the product and is incidental to the sale of the product, and that guarantees indemnity for defective parts, mechanical or electrical breakdown, and labor or other remedial measures, such as repair or replacement of the property or repetition of services.

83 Acts, ch 87, §2; 88 Acts, ch 1112, §703; 2000 Acts, ch 1147, §28; 2006 Acts, ch 1010, §145; 2019 Acts, ch 142, §1, 19

Section amended